

Message Text

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ORIGIN XMB-04

INFO OCT-01 AF-10 ISO-00 EB-08 COME-00 AID-05 TRSE-00
OMB-01 HA-05 /034 R

XMB

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-----110463 110520Z /11
R 102114Z JAN 78
FM SECSTATE WASHDC
TO AMEMBASSY CONAKRY

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E.O. 11652: N/A

TAGS: EFIN, GV

SUBJECT: GOG DESIRE PURCHASE BOEING 737 AIRCRAFT

REFERENCES: (A) CONAKRY 2365 AND 2366, (B) STATE 300567

1. EXIMBANK GREATLY APPRECIATES EMBASSY ASSESSMENT OF
POLITICAL DESIRABILITY GOG PURCHASE BOEING 737 AIRCRAFT
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AND IS NOT UNMINDFUL GOG DESIRE "DO THINGS RIGHT IN AVIA-
TION SECTOR" BY INTRODUCING 737. FURTHERMORE, EXIMBANK
KEENLY AWARE RECENT TRENDS IN GUINEA ON POLITICAL LEVEL TO
MOVE AWAY FROM SOVIET DOMINANCE. BOEING 737 AIRCRAFT
UNDOUBTEDLY WELL SUITED SERVE GUINEA'S NEEDS FOR INTER-
NAL AND REGIONAL AIR SERVICE.

2. EXIMBANK DENIAL GOG APPLICATION EXIMBANK SUPPORT WAS
BASED ON COUNTRY CREDITWORTHINESS ASSESSMENT. ALL AVAIL-

ABLE DATA INDICATE THAT WHILE THE COUNTRY'S BALANCE OF PAYMENTS APPEARS TO BE IMPROVING, SITUATION IS STILL SUCH THAT EXIMBANK COULD NOT FIND "REASONABLE ASSURANCE OF REPAYMENT" ON BASIS OF GOG'S GENERAL CREDIT. PARTICULARLY TROUBLESOME FACTORS ARE THE HIGH LEVEL OF EXTERNAL DEBT AND ITS BURDEN (AN ESTIMATED 30 PERCENT OF MERCHANDISE EXPORTS IN 1977), CONTINUED PAYMENTS ARREARS, AND THE ABSENCE OF RECENT DATA ON RESERVES

(WHICH PROBABLY ARE NEGATIVE).

3. NEVERTHELESS, EXIMBANK PREPARED RECONSIDER APPLICATION IF IT IS POSSIBLE ESTABLISH "REASONABLE ASSURANCE OF REPAYMENT". SINCE 737 WOULD NOT BE EARNING FOREIGN EXCHANGE OR ONLY INSIGNIFICANT AMOUNTS, FOREIGN EXCHANGE NECESSARY FOR DEBT SERVICE WOULD HAVE TO COME FROM OTHER SOURCES. EMBASSY'S SUGGESTION OF GOG SET-ASIDE OF GOG HARD-CURRENCY EARNINGS FROM BAUXITE EXPORTS COULD BE BASIS POSSIBLE SOLUTION. HOWEVER, SUCH EARNINGS WOULD HAVE TO BE ESCROWED OUTSIDE OF GUINEA ON TERMS AND CONDITIONS ACCEPTABLE TO EXIMBANK. ANY SUCH ARRANGEMENT MUST NOT PREJUDICE THE INTERESTS OF EXIMBANK AND FOREIGN OWNERS OF THE COMPAGNIE DES BAUXITES DE GUINEE UNDER EXIMBANK CREDIT 2577.

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4. EMBASSY AUTHORIZED DISCUSS ABOVE POINTS WITH GOG IN LIEU OF INSTRUCTIONS REF B.

5. EMBASSY SHOULD MAKE SURE THAT GOG UNDERSTANDS THAT HUMAN RIGHTS CONDITIONS IN THE PROPOSED RECIPIENT COUNTRY ARE CONSIDERED PRIOR TO APPROVAL OF ALL EXIMBANK LOANS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIRCRAFT
Control Number: n/a
Copy: SINGLE
Draft Date: 10 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE006365
Document Source: CORE
Document Unique ID: 00
Drafter: J H HUBER:EMC
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780015-0930
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1978/newtext/t19780179/aaaacpde.tel
Line Count: 102
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Litigation Codes:
Litigation History:
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Message ID: b99feae4-c288-dd11-92da-001cc4696bcc
Office: ORIGIN XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 CONAKRY 2365, 78 STATE 300567
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3798242
Secure: OPEN
Status: NATIVE
Subject: GOG DESIRE PURCHASE BOEING 737 AIRCRAFT
TAGS: EFIN, GV
To: CONAKRY
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/b99feae4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014